

§ 58-30-90. Actions by and against rehabilitator.

(a) When a rehabilitation order against an insurer is entered, every court in this State, before which any pending action or proceeding in which the insurer is a party or is obligated to defend a party, shall stay the action or proceeding for 120 days and such additional time that is necessary for the rehabilitator to obtain proper representation and prepare for further proceedings. The rehabilitator may take such action respecting pending litigation as he deems necessary in the interests of justice and for the protection of creditors, policyholders, and the public. The rehabilitator may immediately consider all litigation pending outside this State and may petition the courts having jurisdiction over that litigation for stays whenever necessary to protect the estate of the insurer.

(b) No statute of limitations or defense of laches shall run with respect to any action by or against an insurer between the filing of a petition for appointment of a rehabilitator for that insurer and the order granting or denying that petition.

(c) Any domestic or foreign guaranty association has standing to appear in any Court proceeding concerning the rehabilitation of an insurer if such association is or may become liable to act as a result of the rehabilitation. (1989, c. 452, s. 1.)